

The complaint

Miss M says Monzo Bank Ltd (“Monzo”) failed to protect her from financial harm when she fell victim to a scam.

What happened

The facts of this complaint are well known to both parties, so I won’t repeat them in detail here.

In short, Miss M says she fell victim to a job scam after being contacted on iMessage and then being added to a WhatsApp group. She says she made several payments in relation to tasks she was told to complete online for compensation, but she later realised this was a scam and has lost all the money – asides from a £5 payment she received back. Miss M says Monzo should’ve done more to protect her loss.

Monzo considered her complaint and decided not to uphold it. It says it did intervene at the appropriate times, and it ended up uncovering the scam and protecting her from further harm. So, it says it hasn’t done anything wrong here.

Our investigator also considered this complaint and decided not to uphold it. She concluded that the transactions were authorised as per the relevant Payment Service Regulations (PSRs). She also felt that Monzo hadn’t made any significant failings in its duty to protect Miss M from financial harm, and so it wouldn’t be fair to ask it to refund Miss M any of the money she lost to the scam here. The investigator considered Monzo’s actions after the scam had been reported to it and felt it hadn’t done anything to warrant any further compensation. Miss M wasn’t happy with this outcome, so the complaint has been passed to me for a final decision.

What I’ve decided – and why

I’ve considered all the available evidence and arguments to decide what’s fair and reasonable in the circumstances of this complaint.

Having done so, I think the outcome reached by the investigator is fair and reasonable. I’ll explain why.

Firstly, I would like to say I’m sorry to learn of the loss Miss M has suffered because of this cruel scam. I fully understand that she did not willingly hand over her money to the scammers and she was not complicit, she was tricked and lied to. So, no doubt she is upset and angry about what happened here. And for this, she has my sympathies. However, this complaint is against Monzo, who were not part of the scam. But my role is to decide if Monzo has done anything wrong for which they should be held liable for some of Miss M’s loss.

Miss M has complained that although the transactions were authorised in the legal sense outlined in the investigator’s outcome, they were done so under false pretences and under pressure. So Monzo should be compensating her for these. While I understand she must feel frustrated and cheated here, the laws are clear on the principles of authorisation.

As per the PSR's it is not necessary that the payment service user (Miss M) be fully aware of the payment details to authorise them. It also states that being threatened or under duress does not invalidate a payment service users consent to the transactions. I understand that this may feel unfair, but these are the rules that apply here. As set out by the investigator, the transactions were properly authenticated and consented to by Miss M. So, I can't say that Monzo ought to refund these as unauthorised.

Generally, consumers are liable for payment transactions they have authorised. However, that is not the end of the story. This is because even if a payment is authorised, there are regulatory requirements and good industry practice which suggest firms/banks – such as Monzo – should be on the look-out for unusual and out of character transactions to protect their customers from financial harm. And, if such payment transactions do arise, firms should intervene before processing them. That said, firms need to strike a balance between intervening in a customer's payment to protect them from financial harm, against the risk of unnecessarily inconveniencing or delaying a customer's legitimate transactions.

Miss M says that Monzo failed in its duty to protect her from financial harm here as it allowed her to send four transactions to the scammer before helping her realise what was happening. However, as stated above, Monzo's first duty is to process its customers transactions as instructed and without undue delay or inconvenience. It cannot be expected to intervene in every payment made by all its customers. And therefore, the responsibility on Monzo to intervene is only required if there is reasonable cause for concern.

The investigator made the finding that based on the relatively moderate value of the transactions, and the fact that the largest payment was sent to Miss M's account with another provider, there was no point at which she felt Monzo ought to have intervened here. So, it wouldn't be fair to say that Monzo should be liable for any of her loss. Having considered this complaint, I agree with this finding for the same reasons. In addition, having reviewed Miss M's bank statements I do not think the payment amounts are out of character for her usual activity. Therefore, I do not find that Monzo ought to have intervened in any of the payments Miss M made.

Miss M is understandably upset that she has lost a lot of money and is adamant that Monzo should've done more to protect her. However, Miss M's money was lost to the scammer as a result of a sophisticated scam, it was not lost by Monzo. And what Miss M is asking for here is for Monzo to pay her back the money she lost to this scam from its own pocket. But without being persuaded that Monzo has done anything wrong, I cannot ask it to refund this money.

Monzo did intervene on two occasions, and as a result it was able to help uncover the scam. In the first intervention it made, I've seen that Miss M was not truthful with the answers she gave Monzo. I've also seen that it provided Miss M with a relevant written warning which she took no notice of. However, the phone call made intervening in the fifth payment resulted in the Monzo call handler explaining that the circumstances seemed suspicious and that she might have fallen victim to a scam. Monzo blocked this payments and Miss M realised that she had been deceived. So, I am pleased to see Monzo prevented Miss M from any further loss.

The investigator also considered the service provided by Monzo following the scam complaint and it's attempts at recovery. Ultimately, she didn't feel it had done anything to warrant compensation. Miss M hasn't raised any dispute with these points, and on the same principles outlined in the view I also don't think there are any reasons Monzo should be asked to pay compensation here. I know this outcome will come as a disappointment to Miss M, but I am not upholding this complaint. I

My final decision

I am not upholding this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 March 2026.

Sienna Mahboobani
Ombudsman